

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative Department	Calvin Chow/x4-4652	n/a

* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to taxation; increasing the commercial parking tax and amending subsection 5.35.030.B of the Seattle Municipal Code.

Summary and background of the Legislation:

This legislation would increase the commercial parking tax rate from 12.5 percent to 14.5 percent, effective July 1, 2022. The commercial parking tax was first established in 2006 at 10 percent (Ordinance 122192) and was later increased to 12.5 percent (Ordinance 123396).

Under state law, commercial parking tax revenues may only be spent for transportation purposes. Commercial parking tax revenues are accrued to the Transportation Fund.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes X No

This legislation is proposed as part of a Council Budget Action to amend the 2022 Proposed Budget.

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	-	-	-	-
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
	-	-	-	\$3,200,000
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022
	-	-	-	-

The proposed legislation would increase the commercial parking tax from 12.5 percent to 14.5 percent, effective July 1, 2022. Based on projections of 2022 commercial parking tax revenue, this rate increase would generate \$6.4 million annually, or \$3.2 million for 6 months. This projection does not include any estimate of price elasticity of parking demand.

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No other financial impacts identified.

Is there financial cost or other impacts of *not* implementing the legislation?

No financial cost or other impacts identified.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The Department of Finance and Administrative Services (FAS) is responsible for administrating the collection of commercial parking tax. The July 1, 2022, effective date is intended to provide sufficient time for FAS to implement the rate change. Revenue from the commercial parking tax accrues to the Transportation Fund, which provides resources for the Seattle Department of Transportation.

b. Is a public hearing required for this legislation?

No public hearing required.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No public notice required.

d. Does this legislation affect a piece of property?

No property affected.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

No direct impacts to vulnerable or historically disadvantaged communities have been identified, though it is difficult to find data to evaluate potential impacts. Commercial parking tax is collected by commercial parking businesses from vehicle operators and paid to the City; the commercial parking businesses do not report any customer data. Outreach for the increased rate would be the responsibility of FAS.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

The tax increase is not anticipated to materially affect emissions.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

The tax increase is not anticipated to materially affect resiliency.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

The tax increase is not a new initiative or program expansion.

List attachments/exhibits below: